

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0978-01
Bill No.: HB 278
Subject: Motor Vehicles; Crimes and Punishment; Cities, Towns, and Villages; County Government
Type: Original
Date: January 20, 2015

Bill Summary: This proposal defines "annual general operating revenue" for purposes of section 302.341.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|--|------------|------------|------------|
| FUND AFFECTED | FY 2016 | FY 2017 | FY 2018 |
| | | | |
| Total Estimated Net Effect on General Revenue | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2016 | FY 2017 | FY 2018 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>Other</u> State Funds | \$0 | \$0 | \$0 |

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2016 | FY 2017 | FY 2018 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|---|----------|----------|----------|
| FUND AFFECTED | FY 2016 | FY 2017 | FY 2018 |
| | | | |
| | | | |
| Total Estimated Net Effect on FTE | 0 | 0 | 0 |

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|--|------------|------------|------------|
| FUND AFFECTED | FY 2016 | FY 2017 | FY 2018 |
| Local Government* | \$0 | \$0 | \$0 |

*Distribution increase (decrease) net to zero.

FISCAL ANALYSIS

ASSUMPTION

Officials at the **City of Columbia** assume the City would know the number of cases which constitute moving violations, but the City would not know what income these tickets added to the general operating revenue. In order to track the revenue, the City will have to develop a post-court procedure for a hand calculation of this amount after each court date.

The City estimates it will take the deputy clerk in court an extra 30 minutes per docket, nine dockets per week, for a total of 270 minutes (4.5 hours) to do the hand calculations. The City assumes some supervisor some time to review and prepare a monthly summary to the City's Finance Department to compile the year-end report.

At an average \$16/hr. for the clerk's time, the total cost to the City of Columbia for a hand calculation of this material would be \$288/ month or \$3,744/ year in additional expense for the Municipal Court.

If the City is able to work with their software provider, Justware, to automate this calculation of income from moving violations and amendments thereto, that yearly cost estimate may be less after the costs of developing and implementing the automation is paid by the City.

Officials at the **Department of Revenue (DOR)** assume a minimal fiscal impact from this proposal. By removing the word "traffic" and referring to Section 302.010, RSMo, for the definition of "moving violation", the proposed language may broaden what types of offenses can be used by the court to suspend a driver for failing to appear or pay a moving violation. The Department may see an increase in the volume of failure to appear suspension notices received from the courts. There are no statistics available to determine the exact volume the Department may receive; however, if the volume is so significant that it cannot be absorbed by existing staff, an additional FTE(s) will be requested through the appropriations process. The proposed language will require procedure changes and training of staff, which is a minimal impact and will be absorbed with current resources.

Reinstatement fees collected is unknown. The fees collected will be distributed 75% Highway Funds, 15% Cities, and 10% Counties.

Oversight assumes from this proposal that there may be a broader range of offenses that could be used by the court. Since there is no history to get an estimate of the volume of receipts that could be received and DOR is assuming a minimal fiscal impact from this proposal, Oversight will reflect a zero fiscal impact for the state.

ASSUMPTION (continued)

Officials at the **Missouri Department of Transportation**, the **Office of the State Courts Administrator**, the **Department of Public Safety's Missouri Highway Patrol**, the **State Tax Commission**, the **Department of Elementary and Secondary Education** and the **Office of the State Auditor** each assume no fiscal impact to their respective agencies from this proposal.

Officials at the **City of Kansas City** and **St. Louis County** each assume no fiscal impact to their respective organizations from this proposal.

Oversight inquired with officials at the Department of Revenue regarding the number of payments that have been redirected from local political subdivisions to schools for traffic fines:

| Year | Amount |
|------|-------------|
| 2011 | \$19,205.47 |
| 2012 | \$107.07 |
| 2013 | \$0.00 |
| 2014 | \$5,000.00 |

Oversight assumes that this proposal could have an impact to local political subdivisions when calculating the percentage of their annual general operating revenues from moving violations and court cost. This proposal could also impact schools receiving revenues from excess funds. Oversight assumes this impact would net to zero across all local political subdivisions, collectively.

| <u>FISCAL IMPACT - State Government</u> | FY 2016 (10 Mo.) | FY 2017 | FY 2018 |
|---|---------------------|------------|------------|
| | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

| <u>FISCAL IMPACT - Local Government</u> | FY 2016 (10 Mo.) | FY 2017 | FY 2018 |
|---|---------------------|-------------------|-------------------|
| LOCAL POLITICAL SUBDIVISIONS | | | |
| <u>Revenue</u> - School districts receiving a redistribution of excess fines and court cost revenue | Unknown | Unknown | Unknown |
| <u>Loss</u> - Local Political Subdivisions loss in revenue from fines and court costs to school districts | <u>(Unknown)</u> | <u>(Unknown)</u> | <u>(Unknown)</u> |
| ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

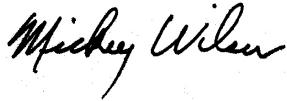
FISCAL DESCRIPTION

This bill replaces the term traffic violation with moving violation and defines annual general operating revenue as revenue that can be used to pay any bill or obligation of a city, town, village, county, or other political subdivision. This includes general sales tax, general use tax, general property tax, fees from licenses and permits, fines, and penalties, but does not include designated sales or use taxes, user fees, grant funds, or other revenue designated for a specific purpose.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

City of Columbia
Office of the State Courts Administrator
Department of Public Safety
Missouri Highway Patrol
State Tax Commission
Department of Elementary and Secondary Education
Office of the State Auditor
City of Kansas City
St. Louis County
Department of Revenue
Missouri Department of Transportation



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January 20, 2015

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